

Fill in this information to identify the case:

Debtor Name Genesis Global Holdco, LLC et al.

United States Bankruptcy Court for the: Southern District of New York
(State)

Case number: 23-10063 (SHL)

Official Form 426

Periodic Report Regarding Value, Operations, and Profitability of Entities in Which the Debtor's Estate Holds a Substantial or Controlling Interest

12/17

This is the *Periodic Report* as of 9/30/2023 on the value, operations, and profitability of those entities in which a Debtor holds, or two or more Debtors collectively hold, a substantial or controlling interest (a "Controlled Non-Debtor Entity"), as required by Bankruptcy Rule 2015.3. For purposes of this form, "Debtor" shall include the estate of such Debtor.

[Name of Debtor] holds a substantial or controlling interest in the following entities:

Name of Controlled Non-Debtor Entity	Interest of the Debtor	Tab #
See attached exhibits		

This *Periodic Report* contains separate reports (*Entity Reports*) on the value, operations, and profitability of each Controlled Non-Debtor Entity.

Each *Entity Report* consists of five exhibits.

Exhibit A contains the most recently available: balance sheet, statement of income (*loss*), statement of cash flows, and a statement of changes in shareholders' or partners' equity (*deficit*) for the period covered by the *Entity Report*, along with summarized footnotes.

Exhibit B describes the Controlled Non-Debtor Entity's business operations.

Exhibit C describes claims between the Controlled Non-Debtor Entity and any other Controlled Non-Debtor Entity.

Exhibit D describes how federal, state or local taxes, and any tax attributes, refunds, or other benefits, have been allocated between or among the Controlled Non-Debtor Entity and any Debtor or any other Controlled Non-Debtor Entity and includes a copy of each tax sharing or tax allocation agreement to which the Controlled Non-Debtor Entity is a party with any other Controlled Non-Debtor Entity.

Exhibit E describes any payment, by the Controlled Non-Debtor Entity, of any claims, administrative expenses or professional fees that have been or could be asserted against any Debtor, or the incurrence of any obligation to make such payments, together with the reason for the entity's payment thereof or incurrence of any obligation with respect thereto.

This *Periodic Report* must be signed by a representative of the trustee or debtor in possession.

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The undersigned, having reviewed the *Entity Reports* for each Controlled Non-Debtor Entity, and being familiar with the Debtor's financial affairs, verifies under the penalty of perjury that to the best of his or her knowledge, (i) this *Periodic Report* and the attached *Entity Reports* are complete, accurate, and truthful to the best of his or her knowledge, and (ii) the Debtor did not cause the creation of any entity with actual deliberate intent to evade the requirements of Bankruptcy Rule 2015.3

For non-individual Debtors:

X /s/ Derar Islim
Signature of Authorized Individual
A. Derar Islim
Printed name of Authorized Individual
10/30/2023
Date MM / DD / YYYY

For individual Debtors:

X _____
Signature of Debtor 1
Printed name of Debtor 1
Date _____
MM / DD / YYYY

X _____
Signature of Debtor 2
Printed name of Debtor 2
Date _____
MM / DD / YYYY

General Notes

On January 19, 2023 (the “Petition Date”), Genesis Global Holdco, LLC and certain of its affiliates, as debtors and debtors in possession (the “Debtors”), filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code (the “Chapter 11 Cases”) in the United States Bankruptcy Court for the Southern District of New York (the “Court”). The Chapter 11 Cases are being jointly administered for procedural purposes only under lead case *In re Genesis Global Holdco, LLC*, Case No. 23-10063 (SHL) (Bankr. S.D.N.Y.) pursuant to an order entered by the Court on January 26, 2023 [Docket No. 37]. On February 3, 2023, the United States Trustee for Region 2 (the “U.S. Trustee”) appointed an official committee of unsecured creditors pursuant to section 1102(a) of the Bankruptcy Code [Docket No. 55]. The Debtors are operating their business and managing their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Additional information about the Chapter 11 Cases, court filings, and claims information is available at the Debtors’ restructuring website: <https://restructuring.ra.kroll.com/genesis/>.

General Methodology

This periodic report (the “Periodic Report”) of the controlled non-debtor subsidiaries of the Debtors (the “Controlled Non-Debtors”) has been prepared solely for the purpose of complying with Rule 2015.3 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”). The financial information contained herein is unaudited, limited in scope, and as such, has not been subject to procedures that would typically be applied to financial statements in accordance with accounting principles generally accepted in the United States of America (“US GAAP”), in the United Kingdom (“UK GAAP”) or International Financial Reporting Standards (“IFRS”) and are not intended to reconcile fully with any financial statements of each Debtor prepared under US GAAP, UK GAAP or IFRS. Therefore, combining the assets and liabilities set forth in the financial statements would result in amounts that are substantially different from financial information that would be prepared on a consolidated basis under US GAAP, UK GAAP or IFRS.

The Form 426 should not be relied upon by any persons for information relating to current or future financial condition, events, or performance of any of the Controlled Non-Debtors or their affiliates, as the results of operations contained herein are not necessarily indicative of results which may be expected from any other period or for the full year, and may not necessarily reflect the combined results of operations, financial position, and schedule of receipts and disbursements in the future. There can be no assurance that such information is complete, and the Form 426 may be subject to revision as a result of varying matters, including, but not limited to, any potential audit adjustments, annual procedures and analysis, changes in estimates, netting, and events subsequent to the balance sheet date. The following notes, statements, and limitations should be referred to, and referenced in connection with, any review of the Form 426.

Basis of Presentation

The financial information contained herein is presented per the Debtors’ and Controlled Non-Debtors’ books and records without, among other things, all adjustments or reclassifications that may be necessary or typical with respect to consolidating financial statements or in accordance with US GAAP, UK GAAP or IFRS. The financial statements and their figures are presented on a preliminary, and unaudited, basis and may be subject to material changes as a result of varying

matters, including, but not limited to, any potential audit adjustments, annual procedures and analysis, changes in estimates, netting, and events subsequent to the balance sheet date. The preparation of the financial statements required the Debtors and Controlled Non-Debtors to make commercially reasonable estimates and assumptions with respect to the reported amounts of certain assets and liabilities, the disclosure of certain contingent assets and liabilities, and the reported amounts of revenues and expenses during the applicable reporting periods. The Debtors and Controlled Non-Debtors reserve their rights to amend the reported amount of assets, liabilities, revenues, and expenses to reflect changes in those estimates or assumptions.

In certain instances, current market valuations for certain assets are neither maintained by, nor readily available to, the Debtors and Controlled Non-Debtors. Accordingly, unless otherwise indicated, the Debtors' and Controlled Non-Debtors' financial statements reflect net book values. Market values may vary, sometimes materially, from net book values. The Debtors and Controlled Non-Debtors believe that it would be prohibitively expensive, unduly burdensome, and an inefficient use of estate assets for the Debtors and Controlled Non-Debtors to obtain the current market values of their property. Accordingly, the Debtors and Controlled Non-Debtors have indicated in the financial statements that the values of certain assets and liabilities are undetermined or unknown. For this reason, amounts ultimately realized will vary, potentially materially, from net book values.

Limitations of Report

Incorporated by reference are the *Global Notes and Statement of Limitations, Methodology and Disclaimers Regarding the Debtors' Schedules of Assets and Liabilities and Statements of Financial Affairs filed in the Debtors' Chapter 11 Cases* [Docket Nos. 142–147] as if set forth herein with respect to the matters discussed herein. In preparing this Periodic Report, the Debtors and Controlled Non-Debtors, with the assistance of Alvarez & Marsal North America, LLC, relied on financial data derived from their books and records that was available at the time of such preparation. The information contained in this Periodic Report is subject to ongoing revision and discussion. Although the Debtors and Controlled Non-Debtors have made good faith efforts to ensure the accuracy and completeness of such information, subsequent information or discovery may result in material changes to the Periodic Report. As a result, inadvertent errors or omissions may exist. For the avoidance of doubt, the Debtors and Controlled Non-Debtors hereby reserve the right to amend and/or supplement the Report, as may be necessary or appropriate.

The Debtors, Controlled Non-Debtors and their agents, attorneys, and financial advisors do not guarantee or warrant the accuracy or completeness of the data that is provided herein and will not be liable for any loss or injury arising out of or caused in whole or in part by the acts, errors, or omissions, whether negligent or otherwise, in procuring, compiling, collecting, interpreting, reporting, communicating, or delivering the information contained herein. While good faith efforts have been made to provide accurate and complete information herein, inadvertent errors or omissions may exist. The Debtors, Controlled Non-Debtors and their agents, attorneys, and financial advisors expressly do not undertake any obligation to update, modify, revise, or re-categorize the information provided herein or to notify any third party should the information be updated, modified, revised, or re-categorized, except as required by applicable law.

Reservation of Rights

The Debtors and Controlled Non-Debtors are reviewing the assets and liabilities of their affiliates on an ongoing basis, including, without limitation, with respect to intercompany claims and obligations, and nothing contained in this Periodic Report shall constitute a waiver of any of the Debtors' or their affiliates' rights with respect to such assets, liabilities, claims, and obligations that may exist.

No Third-Party Reliance

In no event will the Debtors, Controlled Non-Debtors or their agents, attorneys, and/or financial advisors be liable to any third party for any direct, indirect, incidental, consequential, or special damages (including, but not limited to, damages arising from the disallowance of a potential claim against the Debtors or damages to business reputation, lost business, or lost profits), whether foreseeable or not and however caused, in connection with any of the information contained or omitted in this Periodic Report. The Periodic Report should not be relied upon by any person for information relating to current or future financial conditions, events, or performance of any of the Debtors.

Currency

The amounts herein are presented in United States dollars, rounded to the nearest thousand, unless otherwise stated.

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<u>Name of Controlled Non-Debtor Entity</u>	<u>Interest of the Estate on 9/30/23</u>	
Genesis UK Holdco Limited	100%	
Genesis Global Assets, LLC	100%	
Genesis Bermuda Holdco Limited	100%	
Genesis Global Labs, LLC	100%	
Genesis Asia (Hong Kong) Limited	100%	See Note 1
Genesis Custody Limited	100%	
GGA International Limited	100%	
Genesis Global Markets Limited	100%	
GGC International Limited	100%	
GSB 2022 I LLC	100%	See Note 1
GSB 2022 II LLC	100%	See Note 1
GSB 2022 III LLC	100%	See Note 1

Note 1 - This Periodic Report does not include information on certain inactive, dormant or de minimis entities.

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Exhibit A-1: Condensed Balance Sheets of Controlled Non-Debtors

Unaudited

As of September 30, 2023

(USD in thousands)	Genesis UK Holdco Limited, Consolidated¹	Genesis Bermuda Holdco Limited, Consolidated²	Other Entities
Assets			
Cash and cash equivalents	674	97,341	-
Investments in Digital Currencies, Derivative Assets and Digital Currency/USD Loan Receivables	2,247	44,303	272
Other Assets	394	33,319	6,269
Receivable from affiliates	1,592	14,726	-
Total Assets	4,907	189,689	6,542
Liabilities and Equity			
Liabilities			
Derivative Liabilities and Digital Currency/USD Loan Payables	6,003	477	-
Other Payables	155	10,444	-
Payables to related parties	33,365	113,135 ³	32,566 ⁴
Total Liabilities	39,523	124,056	32,566
Members' Equity			
Total Members' Equity	(34,616)	65,632	(26,024)
Total Liabilities and Members' Equity	4,907	189,689	6,542

¹ Genesis UK Holdco Limited is presented on a consolidated basis and includes the assets and liabilities of Genesis Custody Limited.

² Genesis Bermuda Holdco Limited (GBHL) is presented on a consolidated basis and includes the assets and liabilities of Genesis Global Markets Limited (GGM) and GGC International Limited (GGCI). As GBHL is presented on a consolidated basis, an intercompany loan from GGM to GGCI of \$14 million has been eliminated for consolidation purposes.

³ This includes a net payable of \$111.8 million owed to Genesis Global Capital, LLC.

⁴ The majority of this represents intercompany liabilities of Genesis Global Labs, LLC with Genesis Global Capital, LLC.

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Exhibit A-2: Statement of Income

For the Six Months Ended September 30, 2023

(USD in thousands)	Genesis UK Holdco Limited, Consolidated¹	Genesis Bermuda Holdco Limited, Consolidated²	Other Entities
Revenues			
Realized and Unrealized Gain	(795)	(7,772)	-
Other revenue	(10)	-	-
Non-interest revenue	(805)	(7,772)	-
Interest income	24	3,538	-
Interest expense	0	-	-
Net interest income	24	3,538	-
Total net revenue	(781)	(4,233)	-
Non-interest expenses			
Employee compensation and benefits	444	14,889	106
Losses and other expenses	5,393	5,919	(1,178)
Total non-interest expenses	5,838	20,808	(1,072)
Net income/(Net Loss)	(6,619)	(25,041)	1,072

¹ Genesis UK Holdco Limited is presented on a consolidated basis and includes the revenues and expenses of Genesis Custody Limited.

² Genesis Bermuda Holdco Limited is presented on a consolidated basis and includes the revenues and expenses of Genesis Global Markets Limited and GGC International Limited.

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Exhibit A-3: Statement of Cash Flows

Statements of cash flows are not prepared for each Controlled Non-Debtor Entity at the Holdco level. System and resource constraints preclude the Debtors from preparing these statements; therefore, they have been excluded from this filing.

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Exhibit A-4: Statement of Changes in Shareholders'/Partners' Equity (Deficit)

Statements of changes in shareholders' or partners' equity are not prepared for each Controlled Non-Debtor Entity but rather only at the Genesis Global Holdco, LLC level. System and resource constraints preclude the Debtors from preparing these statements at the other Controlled Non-Debtor Entity levels; therefore, these statements have been excluded from this filing.

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Name of Controlled Non-Debtor Entity

Description

Genesis UK Holdco Limited	Active - holding company
Genesis Global Assets, LLC	Inactive - dormant
Genesis Bermuda Holdco Limited	Active - holding company
Genesis Global Labs, LLC	Inactive - to be dissolved
Genesis Asia (Hong Kong) Limited	Inactive - dormant
Genesis Custody Limited	Inactive - winding down
GGA International Limited	Inactive - dormant
Genesis Global Markets Limited	Inactive - winding down
GGC International Limited	Inactive - winding down
GSB 2022 I LLC	Inactive - dormant
GSB 2022 II LLC	Inactive - dormant
GSB 2022 III LLC	Inactive - dormant

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Exhibit C: Description of Intercompany Claims

Debtor and Non-Debtor entities engage in a variety of intercompany transactions as part of normal operations. The Debtors track all fund transfers through their accounting system and can ascertain, trace, and account for all intercompany transactions.

Please refer to *Debtors' Motion For Entry Of Interim And Final Orders (I) Authorizing Debtors To Continue To Operate The Existing Cash Management System, Including Existing Bank Accounts, Honor Certain Prepetition Obligations Related Thereto, And Maintain Existing Business Forms; (II) Permitting Continued Intercompany Transactions And Granting Certain Administrative Claims; (III) Extending The Time To Comply With The Requirements Of Section 345 Of The Bankruptcy Code; And (IV) Granting Related Relief [Docket No. 15]* for more information.

The table below provides the intercompany balances between the Non-Debtor entities as of January 19, 2023 (the "Petition Date"). The schedule of intercompany claims between the Non-Debtor entities and the Debtor entities is provided within the Statements and Schedules submitted to the Court.

(USD in thousands)			
Entity	Other Entities	Genesis UK Holdco Limited, Consolidated	Genesis Bermuda Holdco Limited, Consolidated
Other Entities		\$ (220)	
Genesis UK Holdco Limited, Consolidated	\$ 220		\$ 1,263
Genesis Bermuda Holdco Limited, Consolidated		\$ (1,263)	

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Exhibit D: Allocation of Tax Liabilities and Assets

The Debtors and Controlled Non-Debtors (together, the “Members”) are a part of a consolidated group for tax purposes and are subject to a tax allocation agreement between Digital Currency Group, Inc. (“DCG”) and Debtor Genesis Global Holdco, LLC and its subsidiaries. Under this agreement, DCG computes any tax liabilities or benefits of the Members based upon the information supplied by the Members. Any liabilities that are paid by DCG are then distributed by the Members according to the terms of the tax allocation agreement.

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Exhibit E: Description of Controlled Non-Debtor Entity's payments of Administrative Expenses, or Professional Fees otherwise payable by a Debtor

As of the balance sheet date of the financials presented in Exhibit A, no payments of administrative expenses, professional fees, or otherwise were paid by the Controlled Non-Debtor Entities that would have otherwise been payable by a Debtor Entity. From time to time, a Controlled Non-Debtor will pay for services that may benefit both Debtor and Non-Debtor entities, but those services are obligations of the Controlled Non-Debtor.